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Dear Buyer,

If you have been approved for a mortgage for your next home, you might be assuming you can breathe easy now and just concentrate on packing and preparing for your move. Not yet.

While most of your hard work of building a good credit profile and amassing savings for a down payment and closing costs is behind you, it's important to remember that your lender will recheck your credit just prior to your settlement date and will also verify a few details such as your place of employment to make sure nothing has changed.

That's the key phrase—"nothing has changed." You must take care to maintain the same credit profile that led to your loan approval until your mortgage paperwork is completely signed.

Avoid the following actions to ensure a smooth settlement:

- 1. Don't apply for new credit:** It may seem natural to apply for a credit card at a home improvement store or a furniture store when you are about to become a homeowner, but applying for credit can lower your credit score.
- 2. Don't close any credit accounts:** You may be feeling that this is a good time to get your financial house in order by closing unused credit accounts or transferring your debt to a new credit card with a zero-interest balance transfer offer. While that's a smart move financially, it's a bad one for your credit score because you lose points when you have a higher usage of debt. (talk to your lender about this first)
- 3. Don't move your money around without a paper trail:** Your lender will need the most recent bank statements before you go to settlement, so if you have any unusual deposits you will need to provide complete documentation of where the money came from.
- 4. Don't make any large purchases:** In addition to your credit score, your debt-to-income ratio is extremely important to a loan approval. If you take on more debt you could be in danger of going above the maximum acceptable debt-to-income ratio.
- 5. Don't skip a payment or make a late payment:** One of the most important elements of your credit score is your history of on-time, in-full payments, so don't get so caught up in your move that you forget to keep up with paying basic bills.
- 6. Don't change jobs:** While a job change could mean a raise or a path to a better future, it may also get your loan rejected.
- 7. Don't spend your savings:** You'll need cash on hand at the settlement for your down payment and closing costs and your lender may even verify your cash reserves one more time, so make sure the funds stay in place.

In other words, no matter how hard it is at this exciting time, it's better to do nothing than to do anything.

Best Regards,

The Levy Group